

SECOND REGULAR SESSION

# SENATE BILL NO. 565

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR LOUDON.

Pre-filed December 1, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

3725S.011

## AN ACT

To repeal sections 143.121 and 302.181, RSMo, and to enact in lieu thereof three new sections relating to a tax deduction for organ donation, with an effective date.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 143.121 and 302.181, RSMo, are repealed and three  
2 new sections enacted in lieu thereof, to be known as sections 143.121, 143.129,  
3 and 302.181, to read as follows:

143.121. 1. The Missouri adjusted gross income of a resident individual  
2 shall be the taxpayer's federal adjusted gross income subject to the modifications  
3 in this section.

4 2. There shall be added to the taxpayer's federal adjusted gross income:

5 (a) The amount of any federal income tax refund received for a prior year  
6 which resulted in a Missouri income tax benefit;

7 (b) Interest on certain governmental obligations excluded from federal  
8 gross income by Section 103 of the Internal Revenue Code. The previous sentence  
9 shall not apply to interest on obligations of the state of Missouri or any of its  
10 political subdivisions or authorities and shall not apply to the interest described  
11 in subdivision (a) of subsection 3 of this section. The amount added pursuant to  
12 this paragraph shall be reduced by the amounts applicable to such interest that  
13 would have been deductible in computing the taxable income of the taxpayer  
14 except only for the application of Section 265 of the Internal Revenue Code. The  
15 reduction shall only be made if it is at least five hundred dollars;

16 (c) The amount of any deduction that is included in the computation of  
17 federal taxable income pursuant to Section 168 of the Internal Revenue Code as  
18 amended by the Job Creation and Worker Assistance Act of 2002 to the extent the

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

19 amount deducted relates to property purchased on or after July 1, 2002, but  
20 before July 1, 2003, and to the extent the amount deducted exceeds the amount  
21 that would have been deductible pursuant to Section 168 of the Internal Revenue  
22 Code of 1986 as in effect on January 1, 2002; and

23 (d) The amount of any deduction that is included in the computation of  
24 federal taxable income for net operating loss allowed by Section 172 of the  
25 Internal Revenue Code of 1986, as amended, other than the deduction allowed by  
26 Section 172(b)(1)(G) and Section 172(i) of the Internal Revenue Code of 1986, as  
27 amended, for a net operating loss the taxpayer claims in the tax year in which the  
28 net operating loss occurred or carries forward for a period of more than twenty  
29 years and carries backward for more than two years. Any amount of net  
30 operating loss taken against federal income taxes but disallowed against Missouri  
31 income taxes pursuant to this paragraph since July 1, 2002, may be carried  
32 forward and taken against any loss on the Missouri income tax return for a period  
33 of not more than twenty years from the year of the initial loss.

34 3. There shall be subtracted from the taxpayer's federal adjusted gross  
35 income the following amounts to the extent included in federal adjusted gross  
36 income:

37 (a) Interest or dividends on obligations of the United States and its  
38 territories and possessions or of any authority, commission or instrumentality of  
39 the United States to the extent exempt from Missouri income taxes pursuant to  
40 the laws of the United States. The amount subtracted pursuant to this  
41 paragraph shall be reduced by any interest on indebtedness incurred to carry the  
42 described obligations or securities and by any expenses incurred in the production  
43 of interest or dividend income described in this paragraph. The reduction in the  
44 previous sentence shall only apply to the extent that such expenses including  
45 amortizable bond premiums are deducted in determining the taxpayer's federal  
46 adjusted gross income or included in the taxpayer's Missouri itemized  
47 deduction. The reduction shall only be made if the expenses total at least five  
48 hundred dollars;

49 (b) The portion of any gain, from the sale or other disposition of property  
50 having a higher adjusted basis to the taxpayer for Missouri income tax purposes  
51 than for federal income tax purposes on December 31, 1972, that does not exceed  
52 such difference in basis. If a gain is considered a long-term capital gain for  
53 federal income tax purposes, the modification shall be limited to one-half of such  
54 portion of the gain;

55 (c) The amount necessary to prevent the taxation pursuant to this chapter  
56 of any annuity or other amount of income or gain which was properly included in  
57 income or gain and was taxed pursuant to the laws of Missouri for a taxable year  
58 prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose  
59 death the taxpayer acquired the right to receive the income or gain, or to a trust  
60 or estate from which the taxpayer received the income or gain;

61 (d) Accumulation distributions received by a taxpayer as a beneficiary of  
62 a trust to the extent that the same are included in federal adjusted gross income;

63 (e) The amount of any state income tax refund for a prior year which was  
64 included in the federal adjusted gross income;

65 (f) The portion of capital gain specified in section 135.357, RSMo, that  
66 would otherwise be included in federal adjusted gross income;

67 (g) The amount that would have been deducted in the computation of  
68 federal taxable income pursuant to Section 168 of the Internal Revenue Code as  
69 in effect on January 1, 2002, to the extent that amount relates to property  
70 purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that  
71 amount exceeds the amount actually deducted pursuant to Section 168 of the  
72 Internal Revenue Code as amended by the Job Creation and Worker Assistance  
73 Act of 2002; [and]

74 (h) For all tax years beginning on or after January 1, 2005, the amount  
75 of any income received for military service while the taxpayer serves in a combat  
76 zone which is included in federal adjusted gross income and not otherwise  
77 excluded therefrom. As used in this section, "combat zone" means any area which  
78 the President of the United States by Executive Order designates as an area in  
79 which armed forces of the United States are or have engaged in combat. Service  
80 is performed in a combat zone only if performed on or after the date designated  
81 by the President by Executive Order as the date of the commencing of combat  
82 activities in such zone, and on or before the date designated by the President by  
83 Executive Order as the date of the termination of combatant activities in such  
84 zone; **and**

85 **(i) The amount of any qualified organ donation expenses under**  
86 **section 143.129.**

87 4. There shall be added to or subtracted from the taxpayer's federal  
88 adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment  
89 provided in section 143.351.

90 5. There shall be added to or subtracted from the taxpayer's federal

91 adjusted gross income the modifications provided in section 143.411.

143.129. 1. As limited by the provisions of this section, an  
2 individual may subtract up to ten thousand dollars from federal  
3 adjusted gross income if he or she, while living, donates one or more of  
4 his or her organs to another human being for human organ  
5 transplantation. For the purposes of this section, "human organ" shall  
6 mean all or part of a liver, pancreas, kidney, intestine, lung, or bone  
7 marrow. A subtraction that is claimed under this section only shall be  
8 claimed in the taxable year in which the human organ transplantation  
9 occurs.

10 2. An individual may claim the subtraction under subsection 1  
11 of this section only once, and the subtraction may be claimed for only  
12 the following unreimbursed expenses that are incurred by the  
13 individual and related to the individual's organ donation:

- 14 (1) Travel expenses;  
15 (2) Lodging expenses; and  
16 (3) Lost wages.

17 3. The subtraction under subsection 1 of this section may not be  
18 claimed by a part-year resident or a nonresident of this state.

302.181. 1. The license issued pursuant to the provisions of sections  
2 302.010 to 302.340 shall be in such form as the director shall prescribe, but the  
3 license shall be a card made of plastic or other comparable material. All licenses  
4 shall be manufactured of materials and processes that will prohibit, as nearly as  
5 possible, the ability to reproduce, alter, counterfeit, forge, or duplicate any license  
6 without ready detection. All licenses shall bear the licensee's Social Security  
7 number, if the licensee has one, and if not, a notarized affidavit must be signed  
8 by the licensee stating that the licensee does not possess a Social Security  
9 number, or, if applicable, a certified statement must be submitted as provided in  
10 subsection 4 of this section. The license shall also bear the expiration date of the  
11 license, the classification of the license, the name, date of birth, residence address  
12 including the county of residence or a code number corresponding to such county  
13 established by the department, and brief description and colored photograph or  
14 digitized image of the licensee, and a facsimile of the signature of the  
15 licensee. The director shall provide by administrative rule the procedure and  
16 format for a licensee to indicate on the back of the license together with the  
17 designation for an anatomical gift as provided in section 194.240, RSMo, **notice**

18 **that under section 143.121, RSMo, Missouri allows for a one-time state**  
19 **income tax deduction of ten thousand dollars for the fiscal year in**  
20 **which an organ donation is made, and** the name and address of the person  
21 designated pursuant to sections 404.800 to 404.865, RSMo, as the licensee's  
22 attorney in fact for the purposes of a durable power of attorney for health care  
23 decisions. No license shall be valid until it has been so signed by the licensee. If  
24 any portion of the license is prepared by a private firm, any contract with such  
25 firm shall be made in accordance with the competitive purchasing procedures as  
26 established by the state director of the division of purchasing. For all licenses  
27 issued or renewed after March 1, 1992, the applicant's Social Security number  
28 shall serve as the applicant's license number. Where the licensee has no Social  
29 Security number, or where the licensee is issued a license without a Social  
30 Security number in accordance with subsection 4 of this section, the director shall  
31 issue a license number for the licensee and such number shall also include an  
32 indicator showing that the number is not a Social Security number.

33         2. All film involved in the production of photographs for licenses shall  
34 become the property of the department of revenue.

35         3. The license issued shall be carried at all times by the holder thereof  
36 while driving a motor vehicle, and shall be displayed upon demand of any officer  
37 of the highway patrol, or any police officer or peace officer, or any other duly  
38 authorized person, for inspection when demand is made therefor. Failure of any  
39 operator of a motor vehicle to exhibit his or her license to any duly authorized  
40 officer shall be presumptive evidence that such person is not a duly licensed  
41 operator.

42         4. The director of revenue shall issue a commercial or noncommercial  
43 driver's license without a Social Security number to an applicant therefor, who  
44 is otherwise qualified to be licensed, upon presentation to the director of a  
45 certified statement that the applicant objects to the display of the Social Security  
46 number on the license. The director shall assign an identification number, that  
47 is not based on a Social Security number, to the applicant which shall be  
48 displayed on the license in lieu of the Social Security number.

49         5. The director of revenue shall not issue a license without a facial  
50 photograph or digital image of the license applicant, except as provided pursuant  
51 to subsection 8 of this section. A photograph or digital image of the applicant's  
52 full facial features shall be taken in a manner prescribed by the director. No  
53 photograph or digital image will be taken wearing anything which cloaks the

54 facial features of the individual.

55           6. The department of revenue may issue a temporary license or a full  
56 license without the photograph or with the last photograph or digital image in the  
57 department's records to members of the armed forces, except that where such  
58 temporary license is issued it shall be valid only until the applicant shall have  
59 had time to appear and have his or her picture taken and a license with his or  
60 her photograph issued.

61           7. The department of revenue shall issue upon request a nondriver's  
62 license card containing essentially the same information and photograph or  
63 digital image, except as provided pursuant to subsection 8 of this section, as the  
64 driver's license upon payment of six dollars. All nondriver's licenses shall expire  
65 on the applicant's birthday in the sixth year after issuance. A person who has  
66 passed his or her seventieth birthday shall upon application be issued a  
67 nonexpiring nondriver's license card. The nondriver's license card shall be used  
68 for identification purposes only and shall not be valid as a license.

69           8. If otherwise eligible, an applicant may receive a driver's license or  
70 nondriver's license without a photograph or digital image of the applicant's full  
71 facial features except that such applicant's photograph or digital image shall be  
72 taken and maintained by the director and not printed on such license. In order  
73 to qualify for a license without a photograph or digital image pursuant to this  
74 section the applicant must:

75           (1) Present a form provided by the department of revenue requesting the  
76 applicant's photograph be omitted from the license or nondriver's license due to  
77 religious affiliations. The form shall be signed by the applicant and another  
78 member of the religious tenant verifying the photograph or digital image  
79 exemption on the license or nondriver's license is required as part of their  
80 religious affiliation. The required signatures on the prescribed form shall be  
81 properly notarized;

82           (2) Provide satisfactory proof to the director that the applicant has been  
83 a U.S. citizen for at least five years and a resident of this state for at least one  
84 year, except that an applicant moving to this state possessing a valid driver's  
85 license from another state without a photograph, shall be exempt from the  
86 one-year state residency requirement. The director may establish rules necessary  
87 to determine satisfactory proof of citizenship and residency pursuant to this  
88 section;

89           (3) Applications for a driver's license or nondriver's license without a

90 photograph or digital image must be made in person at a license office  
91 determined by the director. The director is authorized to limit the number of  
92 offices that may issue a driver's or nondriver's license without a photograph or  
93 digital image pursuant to this section.

94           9. The department of revenue shall make available, at one or more  
95 locations within the state, an opportunity for individuals to have their full facial  
96 photograph taken by an employee of the department of revenue, or their designee,  
97 who is of the same sex as the individual being photographed, in a segregated  
98 location.

99           10. Beginning July 1, 2005, the director shall not issue a driver's license  
100 or a nondriver's license for a period that exceeds an applicant's lawful presence  
101 in the United States. The director may, by rule or regulation, establish  
102 procedures to verify the lawful presence of the applicant and establish the  
103 duration of any driver's license or nondriver's license issued under this section.

104           11. No rule or portion of a rule promulgated pursuant to the authority of  
105 this chapter shall become effective unless it is promulgated pursuant to the  
106 provisions of chapter 536, RSMo.

Section B. Section A of this act shall be effective January 1, 2007.

Bill  
✓  
Copy